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Approved For Release 2004/09/03 : CIA-RDP91M00696R000900060001-1

5 March 1976

MEMORANDUM FOR: Director of Central Intelligence

FROM : B. C. Evans, Executive Secretary

SUBJECT : Management Committee Performance

1. Action Suggested: Task the Committee to be a policy formulation body advisory to the DCI. Create two Subcommittees, namely, an Administrative Subcommittee chaired by the DDA and a Resource Subcommittee chaired by the Comptroller so as to free the Committee for policy formulation, innovation, and general oversight. Appoint DDCI as Chairman and eliminate Vice Chairman position.

2. Background:

A. Weaknesses

(1) Three years of experience with the Management Committee format suggests it is a reactor rather than an innovator. The Committee has drifted into a forum in lieu of coordination. Its potential as a body for conceiving or ratifying major policy positions has not been realized. An examination of topics which occupy most agendas indicates that far too much time is being spent on "housekeeping." Its focus on resource-related matters has become superficial when compared to the considerations and options which would be vented in a strenuous coordination process at the staff level.

(2) Perhaps the Committee's greatest deficiency is that it is not a body that can exercise follow-through and periodic oversight, even on those items which have commanded its attention. Essentially it is a reactor to paper forwarded by its individual members, in most cases the DDA.

(3) There is a tendency to defer until a "winter conference" or some DCI planning session the major problems we may anticipate.

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B. Strengths

Mr. Colby felt the Committee resolved a number of particularly important problems which, in another environment, would require his personal involvement. Additionally, all members welcome Committee Meetings as a forum for an uninhibited exchange of views. When compared to past culture in the Agency, it is ecumenical with each Deputy and Senior Staff knowing more about other Directorate problems and plans. It can be said that the Committee has transacted more business than that accomplished by the Deputies' meetings with the Executive Director.

3. An Alternative:

A. Appoint the DDCI as Chairman. It would also accommodate the "fact of life" that the DCI seldom attends a Committee Meeting since he must ultimately pass judgment on its recommendations.

B. Create subordinate committees to the Management Committee, one for administration and the other directed to resource management. The Administrative Subcommittee chaired by the DDA would be composed of the four Associate Deputy Directors with, of course, the Director of Personnel, Director of Training, Director of Finance, AO/DCI or any office head sitting in on those meetings pertaining to his responsibilities. The Resource Subcommittee chaired by the Comptroller would be composed of the senior planning officers from each Directorate, with the Subchairman free to call meetings as required on individual topics at the Associate Deputy Director level.

C. With regard to the work of these two Subcommittees, the Management Committee would ordinarily meet on only those items where an issue cannot be resolved at the Subcommittee level. Otherwise, the Subcommittees would refer their work back to the line for review and approval by the appropriate Deputy Director(s). If DCI approval is required, it would come forward as an ordinary action memorandum. Additionally, each Subcommittee Chairman is free to recommend to the Chairman that the Committee meet on any topic. It would be helpful for each Subcommittee to have a charter on what actions must be reviewed by each. Initially, a useful guideline would be to meet (or obtain telephonic concurrence) on major actions which the DDA and Comptroller are forwarding to the DCI for approval. ~~In those cases where~~ <sup>unless</sup> statutes or regulatory issuance dictate otherwise, the Executive Secretary could at his discretion forward to the DDCI for sign off "for the DCI." If in doubt, the DDCI would consult the DCI.

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4. Administration: The Executive Secretariat will continue to support the Committee. Perhaps the Executive Secretary should officially become Executive Secretary to the Committee. Each of the Subcommittees will be supported by the Subcommittee Chairman's own staff. They (DDA and Comptroller Staffs) will keep the Executive Secretary informed of topics being reviewed so that he will not inadvertently forward to the DCI for approval a paper related to a topic under discussion. The Executive Secretary's role as a monitor of performance in response to Committee actions will be limited to reminding the Committee Chairman as well as the Chairmen of the two Subcommittees of topics they are obligated to report on. One of the early chores of the senior Committee would be to establish periodic reporting requirements to the DCI. In coordination with the Comptroller and DDA, the DDCI will develop periodic listings of major issues or policy questions that seem to warrant Committee attention. Each member would be obligated to surface topics for review, but a much less structured environment would prevail than has been the case in the past, i. e., every agenda item supported by a paper.

  
B. C. Evans

cc: Mr. Richard Lehman

No. 1 Resource Matters

Your first priority is to get a workable resource review process established so that the CFI can effectively deal with the decisions on the fiscal 1978 budget which will be made during the following nine months. *within the Executive Branch*

The process to be designed will be a complicated one since each of the basic programs (the NRP, the CCP, the GDIP, and CIA) operate on slightly different program and budget cycles--due both to their own internal organizational needs and to different relationships with the Office of Management and Budget. Probably for the FY 1978 cycle you will have to settle for a less than optimal arrangement--due to the relative inflexibility of all the processes now underway. Basic things which should be done this year include: development of a preliminary definition of the Intelligence Community; holding a review of some sort under CFI auspices on each of the NFIP programs; ~~making an ending~~ to the OMB/DoD joint review of the CCP and GDIP and establishment of a new October OMB review process; and issuance of some central guidance to each program manager on the results of the CFI review.

*under CFI  
auspices for  
all Community  
programs*

Early this year a working group under IC Staff auspices with program manager participation should be established to work out an acceptable resource review process for FY 1979, building on the efforts started this year for FY 1978.

While work is underway to develop a workable process for 1978 and 1979, you will need to hire a Community deputy director and settle on his charter. For the moment it is probably wise to restrict his, and thus the IC Staff's, charter to matters closely related to the resource task. Such a charter should clarify to the extent possible the relative roles and responsibilities of the CFI/IC Staff and the various program managers within the Intelligence Community. This will be particularly important for the ultimate success of the CFI arrangement.

A particularly critical issue facing the CFI right now is the definition of the roles of the three principals. As the NSC member has no real operational responsibility for any aspect of the Community's business, he should be inclined to think of himself as a member of a Community board of directors, rather than an advocate for any particular program. We have suggested to you that you will need to behave in a similar, ecumenical fashion if your objectivity towards all programs is to be established. (To do this, we suggest you consider the CIA deputy as the advocate of the Agency's program before the CFI, enabling you--supported by the IC Staff--to take an "objective" view.) A particular problem to the CFI's ability to function will be posed if the Defense member conceives of himself as in effect the "manager of the Defense program" rather than a member of a board of directors. If he sees himself in this light, he will probably need internal Defense staffing, and the IC Staff will tend to be regarded as only the DCI's staff. If, on the other hand, he can be persuaded to take a broader responsibility, the IC Staff can more effectively function as staff to the whole CFI.

After basic decisions on the issues noted above have been made, attention should be given to the organization and staffing of the Intelligence Community Staff. It is particularly important not to make major organizational and staffing changes until the basic charter and responsibilities of the IC Staff have been elaborated in some detail.

## No. 2 National Production Issues

The resource process and the organization of the CFI demands your priority attention because you must make certain decisions now in order to be in a position to do other things in a few months. The production issue is different. A working process is in being (albeit somewhat uncertainly given the Executive Order's silence on the subject), and the need for specifying definite arrangements is less pressing. Still, uncertainties must be removed and new forms established or momentum will be lost.

The first choice which needs to be made here is the "scope" of the activity to be carried out by the NIOs or a successor organization. Is this organization to be focused on everything of significance in a given geographical or substantive area, or, alternatively, is this organization to be concerned essentially with estimates only? There should be searching debate on these issues.

Following a decision on the above, there should be developed a series of papers or presentations setting forth what appear to be the four principal options for organizing conduct of your national intelligence responsibilities. The options would seem to be:

Placing all CIA production activities under the deputy for the Intelligence Community.

Placing only the functions of the NIOs or a successor organization under the deputy for the Intelligence Community but leaving other CIA production under the Agency deputy.

Placing all CIA production including NIOs under the Agency deputy.

Placing all CIA production responsibilities under the Agency deputy in an administrative sense but preserving a command line from both the DDI and DDS&T production components and the NIOs directly to the DCI.

Having done this, you should be in a position to make a decision on the above and follow that with such charter, personnel, and organizational changes as may be required.

No. 3 Internal CIA Organizational Changes  
(Other Than Those Which Flow From the Production Issues Above)

After basic choices are pretty well in mind on the two issues above, attention should be focused on developing options for the charter of the new CIA deputy director. The following are a suggested series of responsibilities. They should be debated extensively, further refined, and elaborated on paper somewhere.

Having overall responsibility for CIA resource matters and related relationships with the CFI.

Having overall responsibility for Agency relationships with OMB and Congressional committees involved in budgetary matters, but under the policy direction of the CFI.

Managing the Agency's involvement in any CFI/IC Staff reviews of Community performance on selected issues.

Reviewing and/or organizing effective planning processes within CIA in such areas as computer policy, RD&E policy, and product relevance. (Overview of these responsibilities, because they affect many components, should be centralized.)

Reviewing command and control mechanisms (the Inspector General, the Office of the General Counsel, the Comptroller, the Agency regulations-setting staff) within CIA to ensure the adequacy of these mechanisms and effective implementation of Agency-wide policy. (We have been criticized in these areas over the past year. One individual should be in charge of overseeing this broad area.)

Establishing a continuing review of Agency personnel policies, particularly as they relate to supergrades. (An effective Agency-wide personnel process at the supergrade level would help establish a cadre of senior managers with in-depth experience in all aspects of Agency activity.)

Reviewing existing internal organizational arrangements to be sure they are facilitating our overall mission. (Only a central manager can effectively raise and resolve organizational issues which cut across existing organizational lines.)

Serving as de facto head of the DCI Area (except the IC Staff) and the E Career Service.

Consideration must also be given to rethinking the role of the Agency Management Committee in light of the new responsibilities of the deputy director. Probably this body should be continued in some form but made advisory to the deputy. Changes in regulations will be required.

Another problem to be considered is the nature of the staff support to be given to the CIA deputy. Probably the CIA Comptroller and his office should constitute principal staff support for the CIA deputy. Possibly he will require some personal staff or another element separate from the Comptroller to handle certain of his new responsibilities. When experience with the new arrangement has been gained, the organization and functions of the Comptroller's Office will need to be reconsidered.

*Creation of this Dep Director role will raise other issues, such as "to whom do present 2 Deputy report?" The probable answer is: the CIA Deputy. This will put into question the present reporting arrangement, and have other side effects.*



No. 4 Disposition of Certain CIA Staff Functions

Within the DCI Area are several staff functions which have, in the past, to varying degrees supported the Director of Central Intelligence in both his Community and his Agency roles. The charter and reporting lines of two of these organizations, the NIO and the CIA Comptroller, will have been settled above.

There remain to be discussed the functions and reporting channels of the Office of Legislative Counsel, the Office of General Counsel, and the Inspector General. In each case a decision should be made whether these staff functions report to both the Community and Agency deputies or whether they report directly to the Director in all but administrative matters for which they should report to the deputy director for CIA.

No. 5 The Allocation of USIB Functions and the Re-creation of  
Certain USIB Committees

To the extent possible, decisions on future USIB committees should be made in the context of the preceding considerations. To the extent that they have not been treated, specific decisions will be needed on the continuing need for certain committees and functions and their reporting channels.

No. 6 Rewriting the NSCIDs and Other Charter Documents

No final decisions should be made here until the choices above have been fully considered and decided upon. A question to be considered: Should the NSCID as an "art form" be continued at all, given the newly constituted CFI and its responsibilities?

*A final note: when all is said and done, will these arrangements be ones which suit your concept of the job and will they result in your spending your time as you think it should be spent?*

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- Difficulty of arranging regular meeting
- Newer criteria for OAG act-
- Sub-Committee
- Need procedural meeting of OAG.

~~End of~~